



Alabama Department of Economic And Community Affairs

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GOVERNOR

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DEWAYNE FREEMAN
DIRECTOR

Alabama CDBG Intergovernmental Policy Letter Number 8 (Revision 2)

TO: Persons Interested in the State CDBG Program

FROM: Dewayne Freeman
Director

Policy on Local Contributions Match

Local match, either in cash or man-hours and equipment usage, is both a rating factor and a contractual requirement of CDBG grant agreements. Unfortunately, grantees sometime fail to utilize all match contributions pledged towards the accomplishment of program objectives.

In an effort to eliminate such occurrences from happening in the future, unless otherwise waived by the Director of ADECA, the following match expenditure requirements will apply:

1. All local cash match allocated to a project must be spent on a proportionate basis to the expenditure of CDBG funds. This local cash match expenditure requirement will not apply to projects with ARC, Rural Development, or other State funds where the participating agency's rules preclude its funds from being spent first.
2. In the case of in-kind contributions, CDBG funds may only be drawn down on a proportionate basis to the percentage of in-kind match that has or will be concurrently utilized for that particular budgetary line item.

If for some reason the required amount of local match still does not materialize, then the State reserves the right to re-rate the project and, if appropriate, reduce the required match amount, disallow any or all of the CDBG monies spent, or impose other sanctions as may be fitting under the circumstances.

Effective Date: Immediately